The NATIONAL UNDERWRITER

Life Insurance Edition

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The NATIONAL UNDERWRITER

59th Year, No. 1
January 7, 1955

The National Weekly Newspaper of Life Insurance

Can't Review N. Y. Dept. Actions Not Specified in Law

State's Top Court Upholds Bohlinger in Disapproval of Guardian's Office Site

NEW YORK—The New York court of appeals, the state's highest tribunal, has upheld the non-reviewability of the insurance superintendent's decisions except where the law contains a specific provision for judicial review.

The decision, upholding an appellate division decision that Superintendent Bohlinger had the right to disapprove the purchase of property for home office use, dealt with a suit brought by Guardian Life of New York but is of equal interest to all domestic insurers, fire and casualty as well as life.

The court of appeals held that determinations of the superintendent, where no specific right of judicial review exists, are not reviewable on their merits but only as to whether the superintendent acted within the scope of the grant of his authority and adhered to the standards set forth in the statute. The decision was that Mr. Bohlinger was in the clear on both counts.

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The decision also settled another point. Guardian had contended that it has a right to a hearing, while the department's position was that while it granted a hearing there was no right to such a hearing where the right to judicial review is not specified in the law.

The opinion of the seven-judge court was unanimous in supporting the correctness of Mr. Bohlinger's decision but Judge Van Voorhis in a separate concurring memorandum did not agree that there is no right to review the determinations of the insurance superintendent. However, he held that his refusal to consent to the purchase of the property in question was not arbitrary "in view of paintiff's failure to show how this parcel fitted into any comprehensive and coherent plan for the removal of the plaintiff's home office to White Plains."

The case centered around section 81 of the insurance law which provides, among other things, that while real property may be acquired as an investment for the production of income without departmental approval no real property shall be acquired by any domestic insurer for home office purposes or "as shall be requisite for its convenient accomodation in the transaction of its business except with the approval of the superintendent."

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Main points of the court of appeals opinion are the following:

"In this article 78 proceeding, we are called upon to decide whether certain action taken by the superintendent of insurance is subject to judicial review.

"To purchase real estate as an in-

(CONTINUED ON PAGE 10)

The Challenge of '55: Big Rewards for Ability, Aggressiveness, Ingenuity

By ROBERT B. MITCHELL

The year 1955 promises to be a big one for the life insurance business—but not just in setting new sales records. Perhaps there has never been a year with so much challenge to virile, aggressive, imaginative, intelligent enterprise—to those best able to negotiate the narrow and tricky path bordered on one side by boldness and on the other by conservatism.

Fortunately, the challenge is not that of avoiding serious crises, as it has been in some momentous years. Instead, it is that of making the most of the tremendous expansion opportunities in a dynamic economy.

In life insurance, as in most other businesses, it will be a year that will separate the men from the boys, a year of tough competition in which the able competitors will surprise even themselves by the speed with which they surge ahead. The complacent, the unresourceful, and the unimaginative, lulled by their modicums of progress, will quietly slip back in the race, probably without realizing until years later that back in 1955, when they should have been on the ball, they were relying on "orthodox" methods without constantly checking to see whether the conditions that made them sound in the first place were still applicable.

Directly or indirectly, merchandising is involved heavily in virtually all aspects of the heightened competition that lies ahead. Even operations like accounting and investing, seemingly remote from the sales side, can have an effect on net costs of life insurance to the buyer, and consequently on a company's competitive position. It's true that a smart agent can often overcome a net cost disadvantage—but costs are still important, if only in making more money available to attract the abler agents and provide superior service and other sales aids to keep agents happy and effective.

Doubtless the hottest area of competition right now is in the selling of so-called "special" policies. Intensive advertising of such policies and the New York department's recent conference with New York-admitted companies have caused even the general press to take notice. The Jan. 3 issue of *Time* magazine devoted a two-column article to it, which concluded that the special policies are a symptom of healthy competition in the industry and that "spread of such competition and rate-cutting all around could give the average man insurance he can afford."

Like many another commentator, *Time* overlooked the fact that so large a part of the life insurance premium goes for benefits that no conceivable cut in costs could really make the difference between a buyer's affording or not affording a given policy. But the public interest that is being generated by the controversy between the special-lovers and the special-haters should stimulate the sale of all life insurance, special and non-special. It gets people talking about life insurance in a more familiar way, as they now talk about tubeless tires, the horsepower race, or Hydramatic vs. Dynaflow. The prospect who has a store of information on a product, even if it is largely cockeyed, is obviously a better bet for a salesman than a prospect to whom the entire matter is a vast mystery, which he would just as soon not try to explore, if you don't mind.

What will happen in the special-policy field depends a good deal on the New York department's attitude. The department is in the unhappy position of being pulled in at least two ways, perhaps more. On the one hand, a

(CONTINUED ON PAGE 8)

Late News Bulletins . . .

N. W. Mutual 1954 Sales Total Sets Record

NEW YORK—Northwestern Mutual Life in 1954 had its best sales year, the $535 million new business total exceeding by 3% the previous high set in 1953, Edmund Fitzgerald, president, reported at the annual eastern regional meeting of agents here this week.

The company's December production of $59,250,000 was the largest ever for that month, exceeding by 2.36% the previous high set in 1946. December was the seventh consecutive month the company set a new sales record.

Curtis Committee Would Tax All A&H Alike

NEW YORK—The report of the ways and means subcommittee on life company taxation, issued Thursday, takes a favorable view of the suggestion that A&H business of life companies, other than non-cancellable, be separated for income tax purposes and that such business and similar A&H business written by casualty companies be treated in a uniform manner.

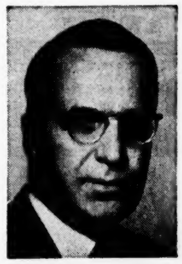
As previously forecast, the report, which is made to the full committee, opposes any difference in income tax treatment between mutual and stock life companies, holding that nothing should be done to discourage the formation of additional companies, and indicated the subcommittee was impressed with the seriousness of the tax discrimination between insured and uninsured pension and profit-sharing plans, a situation that the committee recognized as discriminating against smaller businesses. The subcommittee also mentioned the serious problem raised by the use of the life company tax provisions by

(CONTINUED ON PAGE 20)

Fitzgerald Outlines N. W. Mutual's Growth Philosophy

Quality Business Is Prime Goal, Agents Told at N.Y.C. Meet

Northwestern Mutual Life's destinations, and the routes to be traveled, were outlined by President Edmund Fitzgerald at the company's eastern regional meeting this week in New York City.



Edmund Fitzgerald

Mr. Fitzgerald said studies indicate the company can grow at a faster rate if it is willing to spend money in new territories and on high pressure induction programs. "However," he continued, "we also know that with superior persistency and lower expenses of operation we can keep our costs low. For the long run, we feel that our emphasis should be on these cost advantages which comes from doing quality business with a preferred field. We have concluded that low net cost rather than ambitious expansion programs will do more to keep us at the top of the heap. The companies which go in for growth's sake may not price themselves out of the market, but they may find it difficult to be highly competitive in more than a few contracts."

There has been a conscious effort to stay away from the type of volume which is produced by company contests with swollen prizes, Mr. Fitzgerald stated, adding that no agency force can have the character of Northwestern's if its efforts are diluted by brokers who offer the same contracts and costs, without the same training, responsibility and familiarity with company practices. In brokerage business, he said, "there is a broad and easy path to large percentage growth, and the first cost is low, too. But effective control is lost over the type of applicants admitted."

Mentioning that magnitude in itself means very little, the speaker said there probably is some point of size below which a company suffers, comparatively, through less economy than from mass operation. There may be a point above which unwieldiness sets in and other negative consequences take hold, he added.

By keeping total costs controlled, earning a good return with safety, realizing a mortality experience better than the established goal, Mr. Fitzgerald said the company's job can be done honorably and substantial dividends paid. "If some of our principal competitors were operating as we do," he said, "their dividend picture would be improved 10 to 17%. There is an optimum point for new business beyond

(CONTINUED ON PAGE 16)

Six More Insurers Cited by FTC for False Advertising

Names Sterling, Combined, Professional, Postal L. & C., Service and Girardian

WASHINGTON—Federal trade commission has issued complaints against six more A&H insurers on charges of false and misleading advertising in the sales of their policies. The companies are:

Sterling of Chicago, Combined of America, Professional of Jacksonville, Fla., Service Life of Omaha, Postal

FTC hearing on Prudence and Guarantee Reserve appears on Page 7.

Life & Casualty of Kansas City, and Girardian of Dallas. In the case of the latter company, William A. Blakely, chairman, and Charles W. Windham, president, are joined in the complaint.

The six companies had a total A&H premium volume of more than $25 million a year.

Among the statements in advertising by all six companies which FTC complains are false and misleading are that the policies will remain in effect

COMMENT BY INSURERS

WASHINGTON—The joint committee on health insurance, representing seven associations of A&H insurers, has issued a statement regarding the complaints against six companies. After referring to the complaints issued in October against 17 other A&H insurers, the committee's statement continues:

"At that time, the A&H insurance business through the joint committee on health insurance stated its desire to have its advertising conform with the highest standards. It also expressed its desire to cooperate with the commission and with state insurance commissioners toward this end. It is continuing to develop advertising standards and practices in conformance with the advertising codes prepared by the accident and health insurance business several months ago.

"Like the commission's earlier complaints, those made public today are not a definite finding or ruling that the advertising in question actually violates the provisions of the federal trade commission act. It is important that the public know this.

"The complaints that have been issued by the commission are based on advertising issued before the advertising codes were developed by the A&H insurance business. The companies in the A&H insurance business are now making every effort to conform with these voluntary codes."

as long as the policyholder pays his premium, though the policies are renewable only at the option of the company; that cash is paid for each sickness and that benefits are payable in all cases of sickness, though many sicknesses are excluded by the provisions of the policy.

Postal Life & Casualty is excepted from the charge of falsely advertising that a specified amount, such as $500, is paid for surgeons' fees. The complaint goes against the other five, however, and FTC says that maximum amounts are actually payable in only a few instances or under special circumstances.

Some of the insurers are charged with representing that coverage starts the first day when sicknesses or accidents are not covered in some cases for as long as six months after the policy is issued. The companies represent that benefits in certain cases are payable for life, though in one instance payments are reduced 50% after the policyholder's 65th birthday. The FTC also cites advertising of payment for different types of benefit for one claim when in fact one payment in certain cases is in lieu of all others; advertising that benefits actually obtainable only by purchasing a number of policies at considerable expense can be had by buying one policy for a small premium, and implying with the statement that no physical examination is required that benefits are paid for loss traceable to a condition existing prior to the time the policy was issued.

The new citations bring to 23 the total number of A&H insurers against which FTC has moved. The citations call attention to the fact that the FTC act was made applicable by the McCarran act to interstate insurance business to the extent that such business is not regulated by state law. Each complaint brings out that each company does business in states where insurance is not regulated by state law to the extent of the practices which FTC alleges to be illegal. Each company has 20 days to file an answer.

Penn Mutual '54 Sales Hit Record $400 Million

Penn Mutual Life's paid production for 1954 totaled $400,141,856, a gain of 12% over 1953, the previous high production year.

Membership in the company's top production club, requiring paid production of at least $400,000, increased 21%, with 347 agents eligible to attend an educational conference at White Sulphur Springs, W. Va. Forty agents paid for $1 million or more, compared with 33 the previous year. There was a net gain of 163 in the full-time field force.

Great-West Chalks Up Largest Sales in 1954

Great-West Life placed $393 million of new business during 1954 to record its largest sales volume. Business in force reached $2,685,495,464, an increase of $314,631,890.

The new business total includes Great-West Life's share of the U. S. federal employes group plan which, when added to a 2% increase in ordinary sales, puts the 1954 figures 26% ahead of the previous year.

The Earl M. Schwemm agency at Chicago, with more than $22 million of new business, led the company for the 17th straight year. Winnipeg placed second with $17 million, to lead Canadian branches. There were 19 branches that recorded their highest annual production. H. J. Harris, Ottawa, led all agents with production of more than $1,600,000.

United Benefit Life Shows In Force Gain of 18%

United Benefit Life's insurance in force at the end of 1954 exceeded $1,467,000,000, an increase of approximately 18%.

Bohlinger to Stay Pending Naming of New Superintendent

NEW YORK—No superintendent of insurance having been chosen by the incoming Democratic administration, Governor Harriman has asked Superintendent Bohlinger to continue in office pending the selection of his successor.

Harriman did not indicate immediately how long he expects it will be before he chooses a new superintendent, though it is reported that by the latter part of this week he would give Mr. Bohlinger an idea of how long he would like him to continue on the job.

Usually the new superintendent goes into office when there is a change in party in the state administration but it is not unprecedented for him to continue on into the new regime until a successor has been chosen.

Hubbell Sees 1955 as Good Insurance Year

The life business "may look back at 1954 with pride as a year of great achievement, and may look forward to 1955 with confidence and optimism," declared F. W. Hubbell, president of Equitable Life of Iowa and American Life Convention, in discussing the business outlook for 1955.

F. W. Hubbell

Mr. Hubbell said a degree of optimism seems justified in view of the fact that certain forces which have been acting as drags on the economy are now subsiding. Federal expenditures have now reached the level where the outlook for the rest of the fiscal year is one of stability or even moderate increase, he noted. Other factors he listed as encouraging included official predictions of no significant change in defense spending, indications that liquidation in business inventories has about spent its force, forecasts of a rise of 7% in overall construction outlays, and the promise of a continuing relative stability of consumer prices.

The fact that total life insurance outstanding today remains proportionately less in relation to family income than was the case before the war, taken together with the favorable outlook for business and personal income, indicates 1955 should be another year of great opportunity for life insurance, according to Mr. Hubbell.

The maintenance of the integrity of the dollar is a matter of utmost importance to insurance, Mr. Hubbell stressed, adding "we should do everything possible to prevent a revival of the inflationary spiral." Life companies last year on the average were able to increase their rate of return on investments, despite national monetary policy emphasizing lower interest rates, and he said present indications are that it should be possible for them to maintain a favorable return over the coming months.

Magnuson Leaves Iowa Dept.

Earl Magnuson, associate actuary with the Iowa department for three years, has resigned to go with Central National Life of Omaha as actuary.

Wilfrid E. Jones Dies; Had Quarter-Century Career on NALU Staff

Wilfrid E. Jones of Glenville, Conn former public relations director of Na tional Assn. of Life Underwriters, died in Greenwich, Conn., hospital after a long illness. He was 54 years old.

Wilfrid E. Jones

Mr. Jones, born in London, came to the United States in 1926. He joined the National Assn. of Life Underwriters in 1929 as associate editor and advertising manager o *Life Association News*, NALU's offi cial publication. Death was due to can cer.

Subsequently he was appointed di rector of research for the NALU an was later named executive secretar In 1950 he became director of publi relations in charge of NALU's periodi cal and publicity activities.

He was educated at the Universi of London and the Sorbonne, Pari His studies were interrupted when h enlisted for service in France with th British royal air force but were con tinued after the war ended.

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In 1918 he was appointed to the staf of the British delegation to the peac conference, headed by Prime Ministe David Lloyd-George. At its conclusio he was assigned to the British delega tion to the ambassadors' conference i Paris, charged with the supervisio and execution of the clauses of th peace treaty with Germany, Austria Hungary and Bulgaria. In this capa city he worked under Lord Derby, th Marquis of Crewe and Lord Harding of Penshurst, British ambassador t France. He later joined the staff o the British embassy in Paris where h was engaged in political and economi research.

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Upon his arrival in the Unite States in 1926 he joined the industria research department of the Nationa Industrial Conference Board. In 192 he resigned to join NALU.

Mr. Jones was widely known amon NALU's members through attendanc at conventions and through his numer ous visits to local associations, many o which he addressed at meetings. Hi wife, Mrs. Dorothy Jones, who sur vives him, also attended many con ventions and like Mr. Jones mad many friends in NALU ranks.

Mutual, N. Y. to Plan for '55 at Washington, D. C. Meet

Chairman Lewis W. Douglas, President Louis W. Dawson and Executive Vice-president Roger Hull of Mutual of New York will attend a week-long meeting at Washington, D. C., starting Jan. 10, to lay ground work fo sales operations during 1955. Th meeting will be directed by Stanto G. Hale, vice-president for sales.

Officials from New York City, re gional officers and 100 agency mana gers from the U. S. and Canada als will attend.

Mutual will pay $36 million in dividends in 1955, an increase of $7.9 million or 28%, the largest dollar increase in its history.

Meet Mr. Spendrite, Who Helps Home Life People Cut Expenses, Have Fun Doing It

Ebullient Character Gets Amazing Results in His First Year on the Job, Stimulating Lively Interest in Unusually Dull Subject of Cost Reductions

By ROBERT B. MITCHELL

NEW YORK—Jan. 15 will mark the first anniversary of a pretty important fellow at the Home Life home office—a character who will do an even bigger job for the company in 1955 and yet is available as a full-time aid to any company or agency that wants to cut its expenses by making use of his services.

He is "Mr. Spendrite," who was created in an effort to put a little fun into the usually dreary matter of keeping expenses within reason. As his name implies, he is no penny-pinching grouch but a cheerful little guy who wants to see that money is spent intelligently.

In his first year on the job, Mr. Spendrite has stimulated imaginations, won friends, and influenced staff members to think up an astonishing variety of effective money-saving procedures, particularly in the way of eliminating practices and functions which are "nice but not necessary."

Mr. Spendrite's advent a year ago was largely the result of what in most lines of business would have been a very welcome type of problem—a boom in new business. With New York's section 213 expense limitation law, however, Home Life like many other companies, had an embarrassment of riches. The company has grown more than 300% in the last 20 years. Its expense-management problems were emphasized by the expense-margin squeeze under section 213. Before the 1954 amendments, the insurance law was particularly rough on medium sized (and smaller) companies that had placed relatively large amounts of business on their books in recent years.

Faced with the problem of continuing its sound growth pattern, and at the same time keeping expenses within the strict limits of section 213, Home Life instituted in the latter part of 1953 what came to be known as the hold-the-line program. Its goal was to continue the new business curve through 1954 while holding expenses. as near as possible to the 1953 level.

Following a program outlined by President William P. Worthington, conferences with agency managers and department heads were held. Program objectives were outlined. A temporary operations survey committee was formed to guide the effort company-wide. But a program of spending less money is about as inspiring and popular in a company as it is in the average household: Nobody has been flinging money around needlessly, so nobody sees how much more can be done than is already being done to hold down spending.

Needed at this point was a popular symbol of the hold-the-line idea, one that would capture employe imagination and place emphasis on sound management of expenses, avoiding a generalized negative, inhibitory cut-spending approach.

The answer was the ebullient cartoon figure dubbed Mr. Spendrite. His mission was to symbolize everybody's spirit of right spending, a persistent but happy advocate of sound management of time, effort and dollars. His call to action was, "Let's eliminate those things that are nice but not necessary."

Mr. Spendrite was introduced through Home Life's magazine and then began to appear on posters at agency managers' meetings, on desk blotters and on assorted bulletins and memoranda distributed in the field and home office. He never complained or scolded, but enthusiastically endorsed and sang praises of all suggestions, ideas (and their sponsors) that were presented to the temporary operations survey committee for consideration. The "Spendrite committee," as it was promptly renamed by Home Lifers, served as a clearing house for a rising tide of memoranda, letters and oral suggestions that began to flow in as Mr. Spendrite's enthusiasm caught on.

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Although the company's management had always been active in encouraging and seeking expense-saving ideas, apparently many suggestions had been tucked away in staff members' minds for "future action."

Mr. Spendrite's provocative urging to cut out the "nice but not necessary" things caused people to take another look at the routine, everyday things they were doing. They asked themselves or their department heads—"why?"

Almost at once sacred cows born of some obscure need of the past were found here and there, feeding on company time and effort just because "We've been doing it for years."

What are some of the more evident results of Mr. Spendrite's energetic drumbeating? Here are just a few:

- Managers' reactions, including a spontaneous "Hold-the-Line" skit at one of their national meetings.
- Fifteen percent less overtime in 1954.
- A $25,000 yearly reduction is expected from improvement in inspection report procedures.
- Non-scheduled departmental and agency supply requisitions reduced 80% in four months.

Needlessly frequent requisitions of supplies from agencies and home office departments were found to be costing $6,210 year—divided $3,978 for agencies and $2,232 for home office.

For example, it was found that one agency sent in four requisitions within eight days; a large home office department averaged one *extra* requisition every working day one month; another agency requisitioned 15 times more than the twice-a-month schedule in one month; a home office department ordered supplies via requisition 25 *extra* times in one month.

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In the first four months of Mr. Spendrite's interest in this problem the yearly rate of loss from needless requisitions was cut to $1,224.

"Let's put this $1,224 to better use!" urged Mr. Spendrite in a bulletin. "Let's organize requisitioning on a scheduled basis, audit supplies carefully before submitting requisitions,

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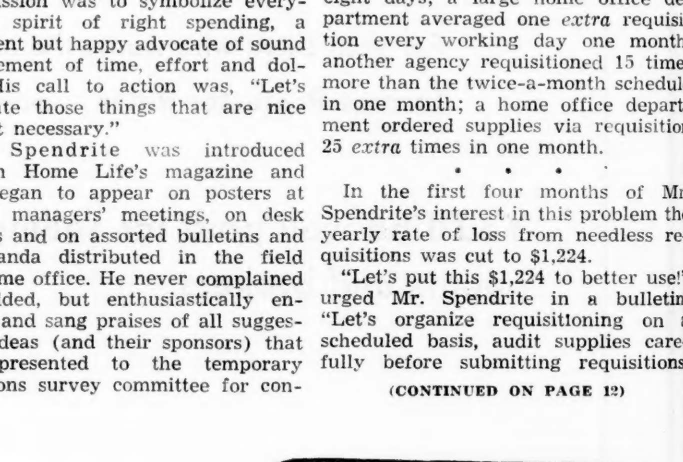

Here is Home Life's Mr. Spendrite all set to go to work on things that are "nice but not necessary." This sketch is used as the heading of the form asking for money-saving ideas.

1954 Life Sales Hit New Peak; Total $47.6 Billion

In Force Total at Record $339 Billion, Johnson Predicts New Heights in '55

Life insurance sales in 1954 exceeded those for any previous year, although the purchase of most consumer goods held at about last year's level, according to the Institute of Life Insurance. Sales were $47,600,000,000 and life insurance in force rose to $339 billion, an increase of $35 billion. Sales in 1953 of $39,488,000,000 also were a record.

The figures include some $7 billion of new group life on government employes. Even without this group, however, sales and insurance in force reached record highs.

The new year undoubtedly will be one of intense competition in all areas of the economy, according to Holgar J. Johnson, institute president. "Life companies and their salesmen will be competing with each other to spread the benefits of life insurance as never before. What is more, their competition for the consumer dollar with other consumer goods and services will undoubtedly be much more intensified."

In spite of this competition, or perhaps because of it, Mr. Johnson said that life insurance is "bound to reach new heights in 1955," predicting sales, apart from the U. S. employe group plan, will exceed the 1954 record volume.

"On the basis of what the eventual benefits would purchase at current prices, Mr. Johnson said the nation's 93 million policyholders now have life insurance programs one-ninth more effective than a year ago. He pointed out this gain was made in a year when the cost of living remained relatively unchanged.

Families of the country are still far from adequately insured, according to Mr. Johnson, as the aggregate of life insurance owned is the equivalent of not much more than one year's annual income. Annual premiums paid for life insurance and annuities, estimated at $9,450,000,000 in 1954, still represent only 3.3% of annual personal income, compared with about 5% 15 years ago. This year's percentage is a step in the right direction, however, as it compares with 3.1% in 1953. Nearly 2,250,000 families, representing all income levels, are now using 10% or more of their income for insurance. If all families followed this pattern, total life insurance would amount to a trillion dollars, indicating "there is certainly room for tremendous growth of life insurance in the years ahead," Mr. Johnson said.

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Payments in 1954 from life insurance and annuities are estimated at $4,935,000,000, of which 58% was paid to living policyholders.

Policy reserves in 1954 increased to $71,100,000,000, and total assets of companies increased to $84,200,000,000, a gain of $5,700,000,000.

Real estate mortgages showed the greatest gain in holdings of any portfolio. Companies acquired $5,100,000,000 of mortgages and at the year-end had $25,750,000,000 mortgages on the books, a rise of $2,400,000,000. Corporate bonds of all kinds, acquired in the year, totaled $5 billion, amounting to $34,550,000,000 at the year end; purchases of domestic, state, and county, municipal bonds were $1,850,000,000, an increase of $550 million and purchases of corporate stocks of $550 million brought year-end holdings to $3 billion.

Cal. Newspapers Take Notice of Rumors of Commissioner Change

Rumors concerning a change in insurance commissioners in California continue to circulate among insurance men in the state. Some notice has been taken of this in the Los Angeles *Examiner*, which in a front page story under the heading "Hint State Job for McConnell, reports:

"F. Britton McConnell, attorney and former mayor of Beverly Hills, is one of the men receiving consideration by Governor Goodwin J. Knight for appointment as state insurance commissioner, it was learned last night.

"The $14,000 a year post now is held by John R. Maloney, son of San Francisco assemblyman Thomas A. Maloney, speaker pro tem of the lower house.

"McConnell has been general counsel for a group of insurance companies (Pacific Employers) for a number of years and has known Knight since they had been at high school together.

"He is a Republican and served four terms as a member of the Beverly Hills city council, which named him mayor for a one-year term."

Mr. Maloney has announced publicly that he is a candidate for re-appointment as commissioner.

Donnally, Purvis Made Pan-Am V-Ps

Pan-American Life has promoted J. B. Donnally and G. Frank Purvis, Jr. to vice-presidents. Mr. Donnally is


J. B. Donnally


G. Frank Purvis, Jr.

in charge of the group and pension department and Mr. Purvis is associate general counsel.

Formerly with Lincoln Life, Mr. Donnally was a reinsurance underwriter and assisted in the forming of that company's group department, then becoming regional group manager at St. Louis. Upon joining Pan-American Life in 1950, he was appointed manager of the group and pension department.

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Mr. Purvis practised law in Louisiana before joining Pan-American Life, also holding posts as deputy commissioner and insurance commissioner of that state. He joined the company in 1949 as assistant general counsel and was promoted last September to associate general counsel.

Bankers, Neb., Hits 1954 $400 Million in Force Goal

Bankers Life of Nebraska exceeded its principal 1954 production goal, passing the $400 million insurance-in-force mark on Dec. 31. Last fall when it appeared that with extra effort the goal could be reached, a special campaign, "Operation Milestone", was instituted and the objective more than reached. Paid production for December exceeded $6 million.

Bankers Life attained its first $100 million in force in 1923, after 36 years in operation. The second $100 million was reached in 1947 and the third in 1951.

Pansing to Stay as Nebraska Director

Governor-elect Anderson of Nebraska has announced he will reappoint Thomas Pansing as director of insurance. Mr. Pansing was appointed to that post in 1952.

The retiring governor, Robert Crosby, is joining the Crosby, Pansing & Guenzel law firm at Lincoln. Mr. Pansing is on leave from the firm. The director's salary is $6,500 a year.

N. Y. Dept. Must List Callers Who Are Paid Fees for Their Work

NEW YORK—The public is now entitled to know who calls on the New York department in behalf of any person, company or association subject to its regulatory jurisdiction, if the representative is being paid a fee or retainer.

A section of the executive law enacted last year requires that the department, as a regulatory agency, shall keep a record of such appearances which shall be open to the public.

Even an appearance on behalf of a person not already under the department's jurisdiction, such as making an application for a license, must be recorded.

A letter by a practicing attorney is in the same status as a personal call, but a telephone call is not.

Inquiries, in person, by telephone or by mail, seeking advice only, do not come within the statute, nor does it apply to the public, as in making a complaint involving a policy claim.

The statute applies only where a fee is paid or to be paid but not where the attorney is on the regular payroll of an employer for whom he appears.

Calls Cal. Hearing on NAIC Security Valuation Changes

Commissioner Maloney of California has scheduled a public hearing for Jan. 10 at San Francisco to consider an amendment to that section of the insurance code regulating valuations of properties and securities in the annual statement blanks of life companies and fraternals.

The proposed amendment reflects changes adopted by National Assn. of Insurance Commissioners at its annual meeting.

Moore Made Partner of Bowles, Andrews & Towne

Gene C. Moore has become a partner of Bowles, Andrews & Towne, consulting actuarial firm with offices in Richmond, Va., Atlanta and New York City.

A fellow of Society of Actuaries, Mr. Moore has been with the firm since 1952. Before that he had several years of actuarial experience with Equitable Society and Life of Virginia, serving the latter as associate actuary. Other partners are Robert J. Towne, Thomas P. Bowles, Edward H. Thompson and Hollister V. Schenck. T. Coleman Andrews, commissioner of internal revenue, is a former partner.

Sun, Canada, Appointments

Sun Life of Canada has appointed G. R. MacKay, J. S. B. Pemberton and V. B. van Wart, formerly associate treasurers, assistant vice-presidents for investment. T. L. Avison, formerly assistant treasurer, has been named associate treasurer. A. O. MacKay becomes joint superintendent of mortgages, G. A. Golden associate superintendent of mortgages and Eric Donald assistant superintendent of mortgages.

E. R. Dare Promoted by Midland Mutual Life

Midland Mutual Life has advanced E. R. Dare to director of education and agency finance.

With the company since 1933, Mr. Dare was at Pittsburgh before going to the home office in 1946 as agency supervisor. Four years later he was promoted to agency secretary. He is a CLU.

FTC Hears Arguments on 2 More Insurers, Gets 3 More Answers

WASHINGTON—Oral arguments Monday on the question of federal trade commission jurisdiction over A&H advertising of Life of America of Delaware and Guarantee Reserve Life of Hammond, Ind., were limited to the jurisdiction question, in spite of the contention of FTC Attorney Robert Sills that details of operations of the companies are pertinent in determining jurisdiction and therefore the hearing should go to the merits.

On the same day, the FTC announced that Bankers Life & Casualty, Prudence Life, and Southern National, which were in the first batch of 17 complaints, had filed their answers. All contended FTC has no jurisdiction and that they are adquately regulated by state law.

In concluding the hearing, FTC Examiner Laughlin said the commission is not inclined to listen to trade practice conference suggestions at present. The motion of Alvis Layne, company attorney, that complaints should be dismissed and matters at issue referred to the FTC bureau of industry cooperation was reserved for future presentation.

Arguing the Life of America case, Mr. Layne said the complaint does not state facts which give the commission jurisdiction, except as to circulation of advertising interstate by mail. The examiner should take notice of the laws of Delaware, where the company is licensed, and nowhere else. Delaware law forbids the company to issue any statement misrepresenting policy provisions and the commissioner can revoke license for any law violation.

No other state has power to prohibit or control activities of the company, under supreme court decisions, he said because the company is not "in a constitutional sense" engaged in business outside Delaware. But that state has complete and absolute authority over company activities.

Mr. Layne characterized as a "slippery phrase" that provision of public law 15 that FTC has jurisdiction over insurance "to the extent that such business is not regulated by state law." No one in Congress foresaw problems that would arise for the commission and the industry under that phrase. The moratorium provision of the McCarran act, however, showed Congress was aware of the threat of a flood of treble damage suits under the Sherman anti-trust law.

Taking up the case of Guarantee Reserve Life, Mr. Layne applied many arguments in the other case and promised to file a brief on the laws of the states in which Guarantee Reserve is licensed. Each state has adequate statutes to regulate deceptive advertising practices, "at least equal to the sweep and power of the FTC act."

Mr. Sills said it is "fantastic" to believe that a company with policyholders in many states could "retire" to a state and "build a wall around itself" and thus save itself from federal regulation.

"I am not saying every company must be licensed in all states," Mr. Sills admitted, "but if the public can not look to the state commissioner for protection it must look to federal jurisdiction." Mr. Sills conceded that policy provisions, reserve requirements and various other factors are matters for state jurisdiction. But he declared penalty statutes might "completely fail to protect the public."

In rebuttal, Mr. Layne said it is not a question whether Mr. Sills likes public law 15, but the question is, "What did Congress want? It wanted state regulation." Regulation "is as old as insurance itself." Sills' interpretation converts the law "into the cruelest joke," Mr. Layne concluded.

Court Won't Transfer Cravey's Bond Insurer in Bankers L. & C. Suit

U. S. district court of Miami, which is hearing the case of Bankers Life & Casualty vs Zack Cravey, Reserve Life, Commissioner Larson of Florida, Professional of Jacksonville and George Washington Ins. Co., has denied the motion of Hartford Accident, which carries the bond on Commissioner Cravey, that the complaint against it be dismissed or that the action be transferred to Atlanta, where the case against Mr. Cravey has been removed.

The court also denied the motion of Commissioner Larson that he be given a new trial or that he be allowed a rehearing of his motion to dismiss the complaint against him.

Evans Leaves Mo. Department

Glenn D. Evans, deputy superintendent of Missouri since 1946, has been appointed general counsel of Missouri Public Service Commission by Gov. Phil M. Donnelly. Before going with the insurance department, Mr. Evans was attorney for the old state workmen's compensation commission.

Forecast of the Challenges, Rewards of 1955

(CONTINUED FROM PAGE 1)

foundation stone of the New York insurance law is that rates shall not be "unfairly discriminatory." The key word there is "unfairly," for it is easily possible to prove that in many situations the failure to discriminate between one policyholder and another or among classes of policyholders constitutes the rankest kind of inequity.

On the other hand, however, is the department's long-standing tradition of keeping the rate per $1,000 on a given policy the same regardless of the amount being purchased. This tradition was breached back in 1909 with the Metropolitan Life's $5,000 whole life special, in which the pure cheaper-by-the-dozen angle was obscured by the fact that the policy not only had to be for at least $5,000 but also called for super-select underwriting and a lower commission rate.

But if size alone is found to be a legitimate basis for charging a smaller premium (or paying a higher dividend), then how can the New York department fail to insist on the larger policyholder paying a lower rate per $1,000—and regardless of whether it is a "special" policy of just one of the regular kind?

This is an extremely tough question, with plenty of potential political dynamite. True, nobody questions the right of merchandisers in other fields to use the cheaper-by-the-dozen principle, as long as the result is not unfairly discriminatory. A possibility, mentioned by Deputy Superintendent Straub while presiding at the New York department conference on special policies, is that the federal trade commission might interest itself in what the public is being charged for special policies. If it is found that the smaller policies have been getting something of a free ride, expense-wise, from the larger contracts, mightn't that be regarded by the FTC as being more discriminatory than the charging of lower rates on special contracts?

Possibly there is some political maneuvering ahead in this area. Now that New York has a Democratic administration, the insurance department might find it expedient, in the event it seems about to be pushed by its own law and logic into permitting or perhaps requiring lower costs for larger policies, to pass the buck to the FTC, or at least to contend that the department had no choice, in view of the Robinson-Patman act, but to go along with the cheaper-by-the-dozen principle.

Might the answer be the charging of a policy fee? This is done to a limited extent in the casualty and fire business, reflecting the fact that overhead costs are largely on a per-policy basis rather than being related to face amount or premium. One difficulty that has been foreseen is that there would be intensive competitive pressure to jockey the policy fee so as to make a favorable showing with prospects.

Such a fee could be very readily accepted as an accurate index of the efficiency of operations when actually it might have been grossly distorted for competitive reasons.

While the special-policy furor has the good effect of stirring up public interest, the opposite side of the coin is the danger that people will become so bargain-conscious that they will forget that a "bargain-rate" policy can be an extremely expensive one if it fails to do the job that the buyer should have done for him. This danger has been pointed out most emphatically by President H. Bruce Palmer of Mutual Benefit Life. That company ran full-page advertisements in several eastern newspapers to emphasize the danger of buying life insurance on a bargain basis.

Perhaps the insurance buyer's best hope lies in his new-found confusion. He's absorbed a lot of information about special policies and low-cost coverage. Also, he's heard that he'd better watch out, that things may not be as cheap as they seem. The result should be a healthy skepticism and a consequent determination to do some real investigating and questioning when he buys life insurance. If insurance buyers could bring themselves to learn as much about life insurance as they do about the comparative merits of automobile transmissions, or of different makes of cars, they would buy their insurance a lot more intelligently—and in a lot larger amounts—than they do now.

From a strictly intra-business point of view, the important thing about the special contracts is that they are symptomatic of the dynamic aggressiveness that has taken a new hold on the life insurance business. This spirit may be expected to show itself in other ways, too, in fact any way that will legitimately sell more life insurance to a public that badly needs it.

This competitive spirit recognizes that the real competition is not the other life companies but the purveyors of tangibles and services. With the greatest dog-eat-dog battle ever known shaping up in the automobile industry, it is small wonder that the progressive leaders in life insurance know it will take every trick in their bags, and some they haven't yet thought up, to keep the public from succumbing to the lure of higher horsepower and shinier chrome. The typical breadwinner has done a lot better job of providing his family with something flossy to ride to his funeral in than he has in assuring a decent living standard for them from then on.

The competitive spirit finds its expresssion in other ways, some of which are troubling many in the industry. Among these are the tontine type of policies issued by some of the smaller companies that are seeking aggressively to build up their business; the issuance of group protection on mutual-fund installment purchase plans; the variable annuity idea as a hedge against loss of purchasing power of insurance and annuity proceeds and as a trump card to fight mutual-fund competition; the extension of the federal government into insurance regulation via the FTC complaints against advertising of A&H insurers that the commission thinks have been aggressive in their advertising to the point of being misleading; the reported willingness of some group insurers to take super-sized cases (e.g., on the railroads' employes) on a basis providing for only a token commission payment.

Perhaps the most baffling and potentially disruptive of these manifestations is the group commission situation. David B. Fluegelman, Connecticut Mutual general agent in New York City, who is a past president of National Assn. of Life Underwriters and currently chairman of its group insurance committee, has expressed deep concern about the miniscule size of the commission to be paid on the railroad group case.

Token commission payments so closely reflect the demands of the American Federation of Labor and some in the CIO that no commissions be paid on negotiated cases as to cause very real concern about what the trend is going to be. The big difficulty is that there are really no landmarks in this entire area, now that group cases have come to be of a size never foreseen when commission scales were devised for them.

What philosophical and practical considerations apply to this question? What are the principles—if any—that are involved? Unluckily, both the philosophical and practical approaches can be shown to lead to answers that are so nebulous as to be hardly worth having. The practical approach of taking the business on whatever basis it can be had—as was done with the group life case on federal employes—could lead to acceptance of the idea that there is no principle at all involved—that if the business can be had without paying a commission, why insist that one be paid? Certainly it is true that in many cases it is impossible to show that any producer did a job whose value is logically measurable as a percentage of the premium, even on the slidingest scale imaginable.

But how determine the breaking

(CONTINUED ON PAGE 13)

McKINNON'S VIEWS

Favors LUTC A&H Course if DISC Area Not Duplicated

International Assn. of A&H Underwriters cooperation with the planned Life Underwriters Training Council course in A&H is predicated on the new course covering some area other than basic training since that field is now being served by the disability insurance sales course, L. A. McKinnon, McKinnon & Mooney, Flint, Mich., president of IAAHU, declared in a statement this week.

"If the LUTC course duplicates DISC effort in the area of basic training for both life and other A&H men, then I would agree with R. L. McMillon in opposing entry of LUTC into the field," Mr. McKinnon stated.

Mr. McMillon, Business Men's Assurance, Abilene, Tex., chairman of the disability committee of National Assn. of Life Underwriters, has charged that a separate A&H course given by LUTC would tend to weaken IAAHU.

Mr. McKinnon said his statement was being made to clarify the impression created by two items of recent publicity. The first, he said, was public quotation of a statement from a letter from him to E. L. G. Zalinski, president of LUTC. In it, Mr. McKinnon stated there is room for two A&H courses. The second was an LUTC press release saying plans for its new A&H course were going ahead "in an atmosphere of cooperation" between LUTC and IAAHU.

"These two pieces of publicity might create the impression that I am in approval of anything LUTC develops in the A&H training field," Mr. McKinnon explained. "Actually, I feel that the training need in A&H is so broad that more than one course is needed to cover all areas. However, I am firm in my conviction that DISC can and will cover the area of basic training for both life and other A&H men. Another course in this same area would be a wasteful duplication of effort; and since the need for A&H training is so desperate, such a waste of effort would be little short of immoral."

Mr. McKinnon also expressed the opinion that the area of basic training can be better served by an A&H organization than by a life group. "The International has years of background in A&H, while the life associations are new to the field," he pointed out. "You wouldn't put a casualty man who sells a little life on the side to training a man new to the life insurance business; just so, it would seem illogical to put the basic training of a man in A&H in the hands of a life man who writes a little A&H on the side."

Any impression that the International and DISC are peculiarly "tailored" to the casualty and monoline A&H man is erroneous, Mr. McKinnon declared. "Much of the backbone of the International has always been life men whose companies have long been in the A&H field. DISC itself was put together under the direction of the late Bert Hedges, B.M.A., Wichita, whose ability and work in the life field was as greatly recognized as in A&H. The life men who have flocked to DISC courses all across the country and publicly stated their belief in its value is adequate indication that it is training for all men who write A&H; life, casualty, or monoline.

"In fact, basic A&H training administered by primarily life men might be dangerous. The life man new to the A&H business is unaware of many pitfalls foreseen only after acquiring the A&H background only IAAHU has to date.

"Most of all," Mr. McKinnon's statement continues, "life men need to come to the realization that A&H is the third leg of the income-protection stool, the leg without which the stool won't stand. As Carl Ernst (North American L. & C., St. Paul) pointed out in his statement about the new LUTC course, life men as a whole do not yet understand how much there is to learn about A&H. They can be brought to that understanding far quicker by a basic course with a background of long A&H experience.

"As long as LUTC plans to cover any area of A&H training other than the basic area, now being served by DISC, then my statement that there is a place for two courses stands, and I am sure the cooperation of IAAHU will be enthusiastic and sincere," Mr. McKinnon concluded.

"The International is primarily dedicated to strengthening the institution of A&H insurance. It would, I am certain, object to a duplication of effort in any training area because it would feel that such duplication would be a shameful waste of manpower so badly needed to keep up with the growing business."

In Phila. Post for Guardian

G. Stanley Hammond has been appointed manager at Philadelphia for Guardian Life. He has been in the business since 1948.

Can't Review N. Y. Dept. Actions Not in Laws

(CONTINUED FROM PAGE 1)

vestment, a domestic insurance company does not require the superintendent's approval while to acquire real estate for its own business such approval is essential. In the case before us, the superintendent denied an application made to him by Guardian Life Insurance Co. where approval to purchase real property in White Plains, Westchester county, which it had proposed to occupy under subdivision 7 (B in section 81) which deals with property for the convenient accommodation of business.

"Guardian is at present housed in a 20-story office building on Union Square in New York City in which it occupies about 60% of the space, renting out the remainder to various tenants. It has spent over $400,000 since 1946 in modernizing that office and in addition owns two adjoining properties which it had acquired some years before for 'expansion purposes.'

"In 1950, Guardian decided to explore the possibility of removing its principal office to Westchester county. As a temporary measure—until a site could be found—the company resolved to obtain space for the use of some of its departments by renting or building in the Westchester area. It could not, and has not yet (four years later) found a plot appropriate for a new home office.

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"However, in the course of its search, the company located property which it considered an 'ideal site for an investment and an office building' but not suitable for a principal office. It was decided that the property be purchased for 'rental' but with the thought in mind of designing the building so that it could be used for its accounting activities and for temporary storage of its records. In line with that thinking, Guardian's executive committee authorized the purchase under the provisions of section 81 subsection 7 (H) (dealing with investment property) expressly noting that it was proposed to erect a building 'which would be suitable for company occupancy in whole or in part.'

"When the chief of the life bureau of the insurance department learned of this action, he notified Guardian that it was not possible to handle the transaction in the manner contemplated, that the company would have to decide whether the property was being acquired for 'convenient accomodation .... of its business' under subdivision 7 (B)—or as an investment under 7 (H). Despite that admonition, Guardian persisted in acting under both subdivisions. Characterising the acquisition as an income measure 'for investment,' under subdivision 7 (H), Guardian purchased the property without seeking official approval.

"The company did ultimately apply to the superintendent for approval—under subdivision 7 (B) to acquire the property on the ground that it was 'requisite for its convenient accommodation in the transaction of its business.' It did so, however, only after being told by the zoning authorities in White Plains that they were disposed to grant the necessary permission to re-zone only if Guardian itself were to occupy the building to be erected on the property. As a matter of fact, it seems to have been the attitude of the zoning authorities, plus the refusal of a federal agency to approve the purchase of restricted materials except for a company-occupied building, that finally induced Guardian to seek the superintendent's approval under subdivision 7 (B).

"Some time later, after the superintendent did not 'look with favor' upon the application, Guardian was offered a hearing. At that hearing—which the company urged was statutory but which the hearing commissioner ruled was not—we simply remark the testimony indicated that Guardian's plans were most uncertain and indefinite and that its home office building and adjoining properties—in which the possibilities for expansion had not even been explored—provided adequate space and facilities.

"At the conclusion of the hearing, the superintendent refused to approve the purchase. Noting Guardian's indecision and uncertainty as well as the 'interim' character of its project—which would nevertheless cost 'upwards of $1.3 million' the superintendent disapproved the company's petition, concluding and we use the language of the statute, that the property was 'not requisite for its convenient accomodation in the transaction of its business.'

"The court at special term, declining to pass upon the superintendent's contention that his determination is not subject to judicial review, upheld the determination upon the ground that it was adequately supported by the record. The appellate division affirmed by a divided court. Two of the three majority justices expressed the

opinion that the superintendent's action was not 'subject to more than a threshold judicial review' while the third justice, following special term's lead, simply concluded that there was no basis for disturbing the determination.

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"Although the courts will be exceedingly slow to rule that the discretion of an administrative officer or board 'may be exercised unhampered by judicial review'.... it is settled that the legislature may, if it sees fit, provide that certain action 'is not a matter open to (such) review'.... in our view the legislature has so provided here. Carefully and deliberately it has selected those actions of the superintendent which are to be subject to judicial review and those which are not, explicitly and unequivocally indicating which is reviewable and which is not. Thus section 34 of the insurance law announces that 'whenever by the provisions of this chapter any order or other act of the superintendent is declared to be subject to judicial review at the suit of any person, such person may maintain a proceeding under article 78 of the civil practice act. And thereafter, throughout the statute the legislature granted the right of appeal of this or that action of the superintendent by specifically declaring that it 'shall be subject to judicial review.'... In many instances—including the section here under consideration—there is no such declaration, plainly establishing that such action on the part of the superintendent was not intended to be subject to review.

"Section 34 does not, it is true, in so many words prohibit judicial review where not expressly prescribed, but that is the necessary and plain meaning of the provision, particularly when considered in context, along with the other sections to which we have adverted. Any other construction would, as Judge Botein wrote below, stamp section 34 'as meaningless and unnecessary reaffirmation of the rights of an aggrieved party to pursue his remedies pursuant to article 78 of the civil practices act and the implication naturally follows that when the right is not granted article 78 may not be invoked.'.... And, when we study the history of section 34 it becomes even more manifest that it was the legislative design that the superintendent's actions be reviewable only where the statute expressly so provided.

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"The predecessor to section 34—section 61—had simply provided for a stay of the superintendent's determination while certiorari proceedings were pending.... When the insurance law was being revised in 1939 under the auspices of the joint legislative committee on revision of insurance laws—the legislature received constant suggestions and advice from various insurance groups as well as from the committee on law revision of the state insurance department.

"With respect to the old section 61, the Assn. of Life Insurance Companies filed a memorandum with the legislature under date of July 15, 1938, asking that it "strike this entire section" and enact a statute granting broad judicial review, indeed a review of any and every act and order of the superintendent.

"More specifically the association recommended the enactment of a section which would 'give insurers and their representatives a general right of appeal or review.' The superintendent as well as the committee on insurance law revision, vigorously opposed the effort. It was their judgment that the proposal would permit review 'of many acts for which judicial review is not appropriate.'.... The legislature, rejecting the suggestion of the insurance groups, followed the superintendent's recommendations and struck from the proposed new section the language granting a general right of appeal. The end result was the enactment of section 34 as it stands today.

"In the light of this history, the conclusion seems inescapable that the legislature accorded 'the right of review to such orders or other acts of the superintendent as are declared to be subject to judicial review by the provisions of the act and then the procedure is directed to be under article 78 of the civil practices act.'

"We deem it clear, as already noted, that in expressly providing for review in some sections of the insurance law and making no provision for such review in other sections, the legislature followed a consistent and purposeful pattern. Provisions for licensing revocation of licenses, as well as for conversion and consolidation of insurers, carry authorizations for review.... While on the other hand, provisions to protect policyholders against unwise, improvident or illegal expenditures of company monies generally do not provide for judicial re-examination.... The legislature thus reflected its design that decisions of the superintendent involving investments and finances—where flagrant abuses by insurance companies had been uncovered in the investigation by the Armstrong committee—should be final and that he should not be subjected to judicial scrutiny to justify the action taken by him.

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"That is not to say, however, that there is to be no judicial scrutiny whatsoever. Even where judicial review is proscribed, the courts have the power and duty to make certain that the administrative official has not acted in excess of the grant of authority given him by statute or in disregard of the criteria or standard prescribed by the legislature.... So, here, if the superintendent had misconceived or exceeded his authority, the reviewing court will act to correct the error.

"More specifically, the courts will examine the record to decide whether the superintendent, in determining whether to grant or withhold approval, acted with an eye to the standard fixed by the statute, namely whether the property purchased by Guardian was or was not 'requisite for its convenient accommodation in the transaction of its business.' There can be no doubt here that the superintendent did make his determinations solely with that standard in mind. Not only did he explicitly state that Guardian's present New York City quarters 'are (not) inadequate for the convenient transaction of its business' but he made findings necessarily leading to the conclusion that the purchase was not required for the convenient accommodation of the company's business.

"The fear has been expressed that absence of judicial review may encourage abuse of administrative power by the superintendent of insurance. If there is any basis for that fear, it is a consideration to be addressed to the legislature, whence came the provision proscribing appeal in this sort of case.

"The order of the appellate division should be affirmed with costs."

Mr. Spendrite Helps Home Life Employes Cut Costs

(CONTINUED FROM PAGE 4)

and order sufficient supplies to last until next re-order date."

Commenting on the over-all program, President Worthington tied the expense saving measures in with Home Life's 20% increase in dividend scale—one of the largest scale boosts in the company's history. He pointed out that "through the cooperative effort of both the home office and field in our 'hold-the-line' program on expenses we were able to arrest an upward trend in expenses, which played an important part in the management's decision concerning this revised scale. We believe that a continuation of this determined effort to curtail expenses will produce an even more favorable picture for the future."

Long-distance telephone charges have been reduced substantially more than could be attributed to the lower federal excise tax rate. In the first six months the actual dollars spent for office toll charges was 22% less than for the same period of 1953—with the agency department setting the pace with a 52% reduction.

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By mid-1954 agency office telephone expenses of all kinds were $2,576 less than had been budgeted for the agencies.

Some other savings:

- With the cooperation of the finance department, the need for typing a daily analysis of cash and security transactions was eliminated by substituting the handwritten originals. This saved 15 hours a month.
- Review and consolidation of building service contracts, where possible, has already paid off on window cleaning alone to the extent of $360 a year.
- Elimination of a special monthly listing of certain information on transferred business, which was "nice but no longer necessary," saved five hours of time a month.
- Sending by airmail only communications where the saving in time is of some value. Previously the agency where the suggestion originated had been sending everything to the home office by air.

Many agencies had slipped into the habit of sending a transmittal memorandum or even a formal letter along with a perfectly routine request form or control stub. And as often as not the form and transmittal memorandum were enclosed in an individually addressed envelope. Mr. Spendrite pointed out that this wasted agency typing time, stationery and printing, agency postage, and mail clerk's time.

In short, Mr. Spendrite's accomplishments range from ideas to save envelopes to those saving thousands of dollars a year.

The Mr. Spendrite program has the enthusiastic support of top management, from President Worthington down. For example, a bulletin on phone cost savings carried a facsimile of this message of congratulations to Assistant Vice-President Eugene C. Kelly, who has charge of the program: "This is great news! Congratulations— to your committee—and to those in the field and home office who helped bring about this downward trend."

With the amendments to section 213 easing the expense margin problem, it was possible to modify the original purposes of the hold-the-line program. But the Spendrite spirit has gathered such momentum and company-wide acceptance that Mr. Spendrite has now become the symbol of everyone's interest in sound expense management. Today it looks as though he has become a permanent member of the Home Life family. Through the right spending, watchfulness and enthusiasm he engenders at all levels, he promises to be an ever-growing influence for more dividend dollars for policy holders and more income and security for Home Life people.

Huber Heads Midtown Managers

Solomon Huber, Mutual Benefit Life, has been elected president of Midtown Managers Assn. of N. Y. City. Burton J. Bookstaver, Security Mutual, was elected vice-president and David A. Carr, Continental Assurance, secretary.

Forecast of Challenges, Rewards of 1955

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point below which commissions should and must be paid and above which it is entirely fitting and proper to ignore them or make a pro forma obeisance in the guise of a token commission?

Before that can be answered must come the solution to another problem: Just what is a commission—whether group or ordinary or industrial—paid for, anyway? It has been generally regarded as being paid for sales and service. But who is prepared to say what proportion for each? Up to now it it hasn't mattered a great deal. But it seems pretty important in trying to arrive at an appropriate analysis for group commissions. If it is not done there may be increasing pressure to apply the no-commission plan to smaller and smaller groups, and when that happens what about ordinary? Such a development as we are now witnessing in group insurance, with pressure for a fee basis instead of commissions, could lead eventually to promotion of the fee compensation plan for ordinary as well.

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In the sale of ordinary, the commission is pitched to reflect in large measure the fact that the agent has to get from his commision his compensation not only for the policy he sells but also for the time he spent on perhaps 30 or 40 other prospects that didn't buy. This may seem rough on the fellow who buys but in general the system seems pretty satisfactory. At any rate, there are no organizations of policyholders demanding that ordinary commissions be cut or reduced to a strictly service basis in the case of the policyholder who has decided to buy insurance and is only trying to decide what kind to buy and whom to buy it from.

In a big, union-negotiated group case, however, it seems very natural for the union bargainers to object to paying commissions for a sale that nobody had to make. Yet if the companies agree to this concept, they open the way to deliberate efforts to freeze out the agent in cases where he definitely made the sale and indisputably earned his commission.

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What's the answer? Pay token commissions in all group cases and let the agent charge a fee reflecting the work he actually did in both selling and servicing? But that would bring loud squawks from the union, for his fee would have to be loaded for the other sales he failed to make. Pay no commission, or a token commission, and stipulate that the agent's fee shall be settled by arbitration?

Underneath all the philosophical considerations is the hard fact that there is nothing sacred about agents' commissions and that they have been and presumably always will be pitched so as to obtain the business the company wants at what it considers a reasonable acquisition cost. The commission scale—or lack of commission—is a pretty accurate barometer of how the company values the agent's services in the obtaining of that variety of business.

Herring Heads New Insurer

Floyd Herring, who has been with the life division of the Texas department for 15 years, has resigned to become president of Standard Service Life, which he organized. The stock, legal reserve company, located at Austin, will write both life and A&H.

EDITORIAL COMMENT

Small Business Men a Potent Ally

Life companies writing insured pension plans are fortunate in having a natural ally of great power in the fight to keep sponsors of uninsured plans from exploiting the presently tax-sheltered status of trusteed plans. This ally is the National Small Business Men's Assn. Its general counsel made a potent plea at the recent ways and means subcommittee hearings on insurance company taxation.

President Carrol M. Shanks of Prudential and Executive Vice-president D. N. Warters of Bankers Life of Iowa made the point that the present tax setup has the effect of penalizing small businesses' retirement plans because such firms are not generally large enough to utilize the tax-favored trusteed plans. But since Prudential is the second largest company in the United States and Bankers and many of the other companies writing insured plans of one type of another are also large, the competition between the trust companies and the life companies could be regarded by congressmen as a battle of the titans and largely lacking in the David vs. Goliath variety of political sex appeal.

But when the tax on insured pension plans hurts small business, that is a different matter. Many of the raw materials and the services that small businesses buy are necessarily higher in unit cost because the volume is smaller than when big business is buying. Economic law can't be repealed and nobody is asking that it should be. But there can be no supportable basis for a tax that discriminates against the small business man by putting an arbitrarily higher tax on what he buys than on what his competition buys.

The small business men not only have an indisputably righteous cause in seeking removal of this tax discrimination, but more than that they have a grievance with potent political appeal: The pore li'l business man, struggling to keep his head above water, has to pay so much more for pensions for his employes that he loses key people to his gigantic competitors.

Not only that, but there are an awful lot of small business men with an awful lot of votes. Yes indeed, small business men are powerful allies. All they are asking is equal treatment with their larger competitors. As J. Raymond Tiffany, general counsel of the National Small Business Men's Assn., pointed out at the hearings, the small business men are not asking favored treatment, merely an even break.

"That is all small business asks at any time—not for anyone, the government least of all, to hold an umbrella over its head, but merely to equalize its treatment at the hands of those with whom it must do business and by government," said Mr. Tiffany.

Mr. Shanks, Mr. Warters and Mr. Tiffany pointed out that the present federal income tax basis reduces the earnings on pension funds by two-tenth of 1%, equivalent to an increase in insured pension plans of about 5%. As pension plans become more and more of a matter in all businesses, the effect of a 5% differential in the cost of so large an item as pension outlays could well be an important difference —critical for some—in businesses that are so competitive that small margins can mean the difference between success and failure.

Incidentally, there may be some who feel it was a pity that Messrs. Shanks, Warters and Tiffany stated the plight of small business pension costs so bluntly, on the ground that such frankness puts another competitive weapon into the uninsured-pension camp's arsenal. But the strength of the case for removing the discrimination is so great that we believe it was sound strategy to exploit it to the utmost.

Backers of uninsured plans may make use of these admissions that tax discrimination makes insured plans cost more than they otherwise would but they have already been doing it so boldly that there is little additional aid and comfort that they could squeeze out of the statements of Messrs. Shanks and Tiffany. And we predict that any advantage the uninsured-pension people could derive from these statements will be short-lived, in view of popular feeling against making the plight of the small business man any tougher than economic law makes necessary. Congress should give prompt relief on this score. We believe it will.

'Flying Start' for Bankers National

Bankers National Life of New Jersey is breaking away at the post with a "flying start" contest, offering double credit for production club convention qualification for all business submitted Jan. 1-17 and paid for by March 15. Two fall conventions will be held, one at the Hotel Traymore at Atlantic City and the other at Hotel Fontainebleau, Miami Beach. For attendance at the business meeting to be held April 18-19 at Hotel Taft, New York, agents must submit $40,000 of ordinary by Feb. 28, to be paid for by March 15.

PERSONALS

Robert L. Walker, president of National Assn. of Life Underwriters, married Miss Josephine Lettice at Winter Park Methodist Church, Orlando, Fla. He is manager for Peninsular Life at Orlando.

Ben H. Carpenter, executive vice-president of Southland Life, has been named one of the five outstanding young men in Texas for 1954 by the state's junior chamber of commerce. He will be honored at a banquet at Midland Jan. 15.

Fitzhugh Traylor, manager for Equitable Society at Indianapolis, and secretary of American Society of CLU, is recovering from an operation in Memorial Hospital, New York City.

H. Clay Johnson, President of Interstate Life of Chattanooga, has been elected president of the Chattanooga Chamber of Commerce. He served as vice-president in 1954.

James G. Bruce, vice-president of Colonial Life, has been elected president of the Men's League of East Orange (N. J.) General Hospital.

DEATHS

C. W. VAN BEYNUM, 67, retired publicity department manager of Travelers, died of a heart attack. He was a newspaper reporter 1904-08, fire insurance solicitor 1908-11, associate editor of THE NATIONAL UNDERWRITER 1911-18 and treasurer and sales manager from 1918 until 1920, when he joined the Travelers publicity department. A son, Robert H. Van Beynum, is with New York Life's public relations department.

C. W. Van Beynum

GEORGE H. POULSEN, 47, Toledo broker, who established a national reputation in the insurance field in the last 14 years, jumped to his death Dec. 26 from an upper floor of Toledo hospital. He was despondent over ill health that followed a heart attack. He was owner of the G. H. Poulsen & Co., an A & H and general insurance agency, and in succeeding years branched out to establish G. H. Poulsen, Inc., of Illinois; G. H. Poulsen & Co., of Wisconsin; G. H. Poulsen, Co., Inc,. of Indiana; the Poulsen General Insurance Agency Corp., of Chicago, and the Poulsen Ins. Co. of America, an underwriting company with headquarters in Chicago. Mr. Poulsen and his associates developed their own actuarial tables and rates and devised tailor-made contracts for A & H insurance. They also perfected methods for speeding claim service. The Poulsen plan, in the surgical and medical insurance field, became the model for some plans used on a national basis. Mr. Poulsen also created new forms of disability coverage, including special all-risk and inland marine. He went to Toledo in 1940 from South Bend to become general agent for the Northwestern National Life

S. L. THROCKMORTON, 54, formerly with the life department of Marsh & McLennan at Chicago and the Bruce Parsons agency of Mutual Benefit Life there, died at his home in Miami Shores, Fla., of a heart ailment. After early experience at the Northwestern National home office in Minneapolis, Mr. Throckmorton spent several years with Marsh & McLennan before joining the Parsons agency. Shortly after that he was stricken with polio while on a fishing trip with Mr. Parsons and spent the next year in an iron lung. After sufficient recovery, he moved to Florida and though confined to a wheel chair resumed insurance and other activities.

WILLIAM B. STORMFELTZ, general agent for Provident Mutual at Wilmington, died in St. Joseph's Hospital, Philadelphia. He joined the company in 1921. He had been president of Delaware Life Insurance and Trust Council, Delaware Assn. of Life Underwriters and General Agents and Managers Assn. of Delaware.

WILLIAM C. PRESTON, for 18 years general agent of Mutual Benefit Life at Akron, died at age 61. He joined the company at Akron in 1931.

DR. SOLOMON W. WALKER, chairman of Pilgrim Health & Life Negro Insurance Company of Atlanta, died there.

THOMAS H. McDONOUGH, a metropolitan agent at St. Louis for 33 years before his retirement in 1932, died there in St. John's hospital of heart disease.

GEORGE E. HACKMANN, 77, district manager for Guardian Life at Jefferson City, Mo., died at his home there of a heart attack. He had been active in politics, serving two terms as Missouri auditor.

WILLIAM R. TOOLE, 34, a superintendent at St. Louis for National L. & A., died at his home there of a heart attack.

GEORGE W. CLAYTON, 66, president of Columbian Mutual Life of Memphis, died in Baptist hospital there

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OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.
PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernerd J. Gold, Resident Manager.
SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

after a short illness. He joined the company in 1908 when its headquarters were at Atlanta. He became assistant secretary in 1915, secretary in 1919 and president in 1935. The company moved to Memphis in 1922.

$1 Million Techniques to Be Presented at N. Y. C.

At its January meeting, New York City Life Underwriters Assn. will feature four Million Dollar Round Table members, one as moderator and three describing how they reached the million-dollar goal. Moderator will be George B. Byrnes, New England Mutual general agent, and Daniel H. Coakley, New York Life, Robert J. Manheimer, Equitable Society, and Gerard B. Tracy, Prudential, will speak.

The meeting will be at 2:30 p.m. Jan. 13 in the Hotel Astor north ballroom.

Mr. Byrnes is chairman of the 1955 Million Dollar Round Table. Except for Mr. Coakley, who is located in Boston, the participants all belong to New York City Life Underwriters Assn. All four will be guests of honor at a luncheon preceding the meeting.

Gaines Resigns as Senior Attorney of N. Y. Dept.

Sidney Gaines, senior attorney in the New York insurance department, has resigned. He will return to private law practice at 1775 Broadway, New York City. Mr. Gaines joined the department in 1946 as a junior attorney. He served as chief counsel to the department's welfare investigation, supervising the special staff and participating in presentation of the cases at public hearings.

Travelers Stock Soars 350 Points to $2,125

Travelers stock rose 350 points to $2,125 the day after the company announced a proposed 20-for-1 stock split by reducing par value from $100 to $5 which must be approved by the Connecticut legislature before it can take place.

The first day it jumped about 100 points from $1,775 and the second morning shortly after opening it stood at $2,000 and at mid-morning it was $2,050 bid, $2,125 asked. By afternoon however, it had retreated to $1,960 bid, $2,000 asked.

The rise in Travelers stock was credited for attention paid to Aetna Life which was paying $2 plus $1 extra and was selling about $162. It rose to $188, but leveled off to $182 at closing.

Smith Retires, Bankers, Ia., Divides El Paso Agency

Floyd Smith, manager for Bankers Life of Iowa at El Paso, Tex., has retired under the company's pension

Floyd Smith

Ralph L. Reed

plan and his agency has been divided into three offices. Ralph L. Reed becomes manager at El Paso, Marion E. Adams manager of the New Odessa, Tex., office and E. J. Gorman, Jr., head

Marion E. Adams

E. J. Gorman

of the new Albuquerque, N. M., office.

Mr. Smith, who was named El Paso manager in 1941, will remain with the company as a salesman.

Before going with Bankers Life in 1952, Mr. Reed was in government service and also taught and coached athletics. Joining the company in 1946, Mr. Adams moved to Odessa the following year. He is president of Oil Center Assn. of Life Underwriters. After earlier sales expereince Mr. Gorman started with Bankers in 1946. He is president of Central New Mexico Life Underwriters Assn.

Wistert Heads Detroit Agency for Bankers, Neb.

Albert A. Wistert, formerly with Bankers Life of Nebraska at Philadelphia, has been promoted to general agent at Detroit.

A. A. Wistert

Mr. Wistert, former football All-American at the University of Michigan and an all-pro tackle for the Philadelphia Eagles, joined Bankers in 1949. In 1952 he was the company's second leading producer, and was fourth high in 1953.

Kansas Issues Credit Life, A&H Rules

New rules and regulations have been issued by Commissioner Sullivan of Kansas for companies writing credit life and credit A&H. They do not apply to life or A&H sold on an individual contract basis in connection with real estate loans of more than 36 months, or to small loans agreements.

Murphy Heads Managers

Los Angeles A&H Managers Club at its annual meeting elected Henry B. Murphy, Automobile Club of Southern California, president. Ken Stoakes, Loyal Protective Life, was named vice-president, and Richard H. Dutwiler, National Casualty, secretary.

The club is sponsoring a disability insurance sales course, to start in February and run for 12 weeks at the University of California at Los Angeles extension division.

Provident Mutual Promotes McLellan, Spare, Stanley

Provident Mutual has promoted Lawrence L. McLellan, formerly assistant medical director, to associate medical director. William A. Spare has been promoted to assistant actuary, and Edward L. Stanley has been named associate manager, mortgage loans. Mr. Spare joined the company in 1952, Mr. Stanley in 1937.

Western Life, Montana, Names Patterson, Kirk

Western Life of Montana has named Thomas P. Patterson vice-president and counsel and Alex Kirk vice-president and secretary. Mr. Patterson also has been named to the board.

Mr. Patterson has been with a law firm at Helena since 1947. Joining Western Life in 1929 as chief clerk of the actuarial department, Mr. Kirk in 1934 was advanced to assistant secretary and in 1948 made secretary and a member of the board. He has been assistant vice-president since 1953.

Investment Trust Assets Now Total $5½ Billion

The growing popularity of mutual funds has boosted assets of investment trusts to $5½ billion, an increase of $1.2 billion since the start of 1954. Shareholder accounts now total 1.9 million, a new record. New York, California, Illinois and Pennsylvania lead in dollar volume purchases of mutual funds. According to National Assn. of Investment Companies, women hold 55% of all mutual fund shares, either solely or in joint accounts.

Mutual of N. Y. Promotes Four in the Home Office

Mutual of New York has promoted George F. McNamara to associate actuary, Arthur O. Kaiser to assistant general counsel and Neal D. Brubaker and John R. Holliday to training assistants, all at the home office.

G. F. McNamara

Mr. McNamara, with the company since 1930, was named head of the policy form section in 1941, administrative assistant and in 1946 and assistant actuary in 1952. Mr. Kaiser joined Mutual as an attorney in 1938 and was named assistant counsel in 1946. Mr. Brubaker, assistant manager at Cleveland since 1951, joined the company there in 1947. Mr. Holliday went with Mutual at Vancouver in 1952 and became assistant manager there in 1953.

Bright Replaces Fickas for Penn Mutual at Phoenix

Penn Mutual Life has named George C. Bright general agent at Phoenix, Ariz., succeeding Mel Fickas who 19 years ago established the company's first agency in the state and who now has decided to devote all his time to servicing his clientele.

George C. Bright

Mr. Bright joined Penn Mutual in 1950 and since 1952 has been district manager at Phoenix. He is secretary of Phoenix Assn. of Life Underwriters.

• *Chicago Home Office Life Underwriters Assn.* at its January meeting heard W. M. Ballenger, General Electric Corp., talk on "A for Atoms".

Outlines N. W. Mutual's Growth Philosophy

(CONTINUED FROM PAGE 1)

which costs soar and it loses its benefit."

Specifically answering the question, "where are we going?" Mr. Fitzgerald said the direction hasn't changed, "but that we intend to do anything we can to make improvements. We have no intention of cheapening the agents' services or robbing your job of its dignity and purpose. For this reason we have no intention of substituting intensive advertising campaigns designed to promote the replacement of an agent's counsel by a single magic contract. This oversimplification seems to me to devalue your judgment and training. I personally prefer an appeal to the public's better emotions in an attempt to build a wholesome atmosphere in which the agent can most readily exercise his skills and abilities for the prospect's real interest."

Mr. Fitzgerald mentioned the company is looking carefully at the "special class" or substandard market, testing whether its attitude should change in the light of the mass experience about this type of underwriting. There is no "yes" or "no" so far, the study is going on, he said. "Be assured that we will not make this move if it is apparent that it will lower the financial and moral level of our present policyholders. If we enter this field, it will be on the basis of offering an added area of service to our present and future insured."

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The company has an obligation to old and new policyholders to keep up to date and to grow with its market, Mr. Fitzgerald commented. "This responsibility arises because we intend to continue to do an unusual job for the superior policyholders brought to us by an agency force that is different—and whose record speaks for itself. The sum total adds up to a quality and character which, while distrusting expansion for its own sake, generates what we consider to be the soundest and most economical growth pattern in the life insurance business."

Pointing to the company's steady growth rate, Mr. Fitzgerald said sales in 1939 were 72% of 1953's in terms of the 1939 dollar's purchasing power. A review of the last 30 years shows that in the second half of that period paid for business was 32% greater than in the first half. Insurance in force, however, was 400% higher than the earlier period. Not only an indication of better times, the speaker said it is a reflection of sounder selling procedures and a better job by superior agents. "It's spectacular to show large increases in current production, but the type of business which stays is the only kind that means anything."

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It is expensive to expand beyond a normal rate, declared Mr. Fitzgerald. Excessive expansion rates have been the subject of both the Armstrong and TNEC investigations; not arbitrary and capricious meddling, but investigations which occurred because of a strong suspicion that some companies were financing rapid growth with the funds of existing policyholders. "To put it another way," the speaker said, "we, too, can add disproportion amounts of business by spending more money. This money comes out of your dividends and mine. Our philosophy here doesn't mean that we don't expect to grow during the next 10 years as much as we have during the last 10 years—we do.

"Presently we are living in an expanding market. The population of our country is increasing. Social security, pension and group have had an impact but their effect has been more than offset by the increase in the number of families in the income groups which make up the Northwestern market. Fairly conservative estimates, based on our keeping up with the increase in our gross national product and with this population and income growth, indicate that in 1956 we could have an annual new business rate of about $750 million—and that our 'in force' could run between $10 and $11 billion. Mind you, this is if we just keep up with these external factors."

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In another talk during the meeting, Mr. Fitzgerald said no business carries so mandatory an emphasis on future performance as does life insurance. The rigidity of a life company structure makes very clear the danger of compromise and the possible disastrous effects of opportunism. Commitments made today may haunt or benefit the organization and those earlier and later generations who are a part of it. Condoning of an unsound practice affects not only the year in which the event occurs, it has a profound influence upon the operations of the company far into the future.

Over the years, the speaker said, Northwestern has faced up to changed conditions which required corrections in practice. "Within the memory of many of us we have made the transition, imposed upon our industry by war and a change in our monetary policy, from a background of 5% interest earnings to the quite satisfactory one of the moment of approximately 3½%. We have made that transition and have put our house in order. We should collect rewards now and in the future."

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One of the chief home office attention areas in 1955 will be further improvement in earnings, Mr. Fitzgerald commented. It does not appear that much improvement in mortality can be expected, he said. He predicted a further gain in interest earnings which should bring the company up to 3.6%. He said the question of expenses will be tackled "very, very seriously."

Shifting his attention to the qualities that should be possessed by a home office staff, Mr. Fitzgerald offered these points: The technical officer must not only be authoritative in his field, but must be able to make decisions, and where necessary be an administrator who works with others. All officers must be sensitive to field situations and receptive to field ideas. The attitude, "my mind is made up, don't bother me with the facts," should never be encountered. The official family should avoid any general stereotype or pattern of conformity. If only persons of a certain type are hired, then all the company's successful men will be people of that type. This could have some advantages, but if all men had the same outlook, their thinking obviously would have a limited horizon.

Other home office speakers included Elgin G. Fassel, senior actuary; Victor E. Henningsen, actuary; Harold W. Gardiner, director of education and field training, and Charles B. McCaf-

frey, director of advanced underwriter training.

Describing Northwestern as the "preferred risk company," Mr. Fassel said this is the result of the high caliber of its field force and the fact that its insurance is largely on successful citizens who buy what they are able to pay for and retain what they have. He added this has led to the quality factors for which the company is famous—high percentage of prepaid applications, low lapse rates, low expense rate, favorable mortality in relation to charge, all resulting in low insurance cost.

Mr. Henningsen discussed the company's competitive position, noting that during the past year a great amount of advertising has been built around the cost of insurance, particularly on the ordinary life plan. He suggested cost has been stressed perhaps more than at any time in the past, and added Northwestern's greatly improved 1955 dividend scale should be highly effective in the present competitive market.

Reviewing results of the CLU movement among Northwestern Mutual personnel, Mr. Gardiner said 42 of its general agents possess the designation, as do 36 of its 100 leading producers. The company has a well organized program for encouraging agents to qualify for a designation. He recalled that Grant L. Hill, vice-president and director of agencies, for many years was a member of the board of the American College and was a member of its first CLU class in 1928. B. S. McGiveran, Chicago, was the guiding hand in establishing the first company CLU chapter, and Harry Krueger, New York City, is vice-president of the national group and a member of the editorial board of the *CLU Journal*.

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Considering the new internal revenue code, Mr. McCaffrey said the 5% reversionary provision has caused more discussion than any other change affecting life insurance. Whenever a person gives anything away, he noted there almost always is the possibility it may return to him. The donee might give it back to him or leave it by will to him. He may even inherit it from the donee through operation of the intestate laws. No legally trained person would ever extend the concept of a reversionary interest to include this type of possibility.

The sound view is that the husband retains no reversionary interest in the case of an outright gift to his wife, according to the speaker, who added that he feels the same view ought to apply to gift of life insurance because it was the express intention of the Senate committee to put life insurance on the same footing with all other types of property.

The term trust, one of the most effective devices of reducing income taxes, ought to be particularly attractive to persons in high tax brackets who are receiving investment income they do not need currently. Mr. McCaffrey stated. He said the new code contains provisions so specific that if strictly complied with the desired tax consequences would become a practical certainty.

Mr. McCaffrey said the code provisions permitting the payment by an employer of tax free disability benefits to employes is a further relief to the tax-harrassed key man and an added incentive device to the employer. He referred to a Society of Actuaries report indicating that the average dura-

(CONTINUED ON NEXT PAGE)

tion of an executive disabled as long as 90 days will vary from four years at age 30 to 6½ years at age 59. The chance that a long-term disability will occur (rather than death) varies from 2.7 to 1 at age 30, to 1.6 at age 59.

The corporation, with its 52% tax bracket, can pay substantial disability benefits at no cost by utilizing the waiver of premium provision and its key man life insurance plus the 52% tax saving on the deductible payments, Mr. McCaffrey pointed out. In addition, the first $100 received each week by the key man is income tax free.

Among agents who appeared on the program were Kenneth H. Mansfield, Bar Harbor, Me.; Owen W. Eames and John A. Birch, Boston; Hugh C. Thompson, Jr., Charleston, W. Va.; Franklin J. Vaughn, Utica; Ernest D. Haseltine, Jr., Haverhill, Mass., and Ben S. McGiveran of Chicago.

Mr. Mansfield advised breaking the problem of selling down into simple, basic terms. He warned against overlooking the greatest single motivating force that prompts a man to buy life insurance, the fact he "loves someone else more than himself".

Mr. Eames reviewed past decisions of management, made in the face of competitive pressure, under which the company declined to engage in "extravagant and improper practices merely to stimulate sales." Among those he mentioned were the anti-rebate rule, and decisions against entering the brokerage field, writing double indemnity clauses, preferred risk policies and special surrender dividends.

Mr. Birch offered encouragement for agents who are unable to come up with original sales ideas. He said he has yet to develop an original sales technique. "The fact that I have borrowed, copied and adopted the ideas and sales techniques of other successful, veteran agents does not disturb me, and I don't believe it makes the ideas any less dynamic, nor any less moving." When he runs across a method that has been refined to the point it is selling insurance, he said he finds little reason for originality.

Differing with those agents who contend the close can never be over-emphasized, Mr. Thompson said that by being sincere, offering service, showing enthusiasm, with the proper knowledge of the subject and with the use of good psychology, there is no need for a close. By exhibiting these qualities, he opined the agent will get the prospect's business when there is an insurance need.

Pointing to the versatility of life insurance, Mr. Vaughn said it provides a solution at one and the same time to the three principal financial worries of the average person. The average man first considers the financial security of his entire household; second, he thinks of saving money for emergencies and for the education of his children, and lastly, he thinks of himself and the problems that will come along with old age. Only through life insurance, the speaker said, can family security and welfare of the children, both now and later, be preserved whether or not the policyholder continues to live.

Mr. Haseltine conducted a hypothetical interview with what he termed an "advanced underwriting prospect," explaining how various provisions of the revenue code have special significance for the buyer.

Mr. McGiveran emphasized that tax laws do not create but merely exaggerate the problems of clients. The problems are basic and economic ones which do not change from one generation to the next. Keep in mind, too, he stressed, that the changing tax laws offer almost as many solutions to their exaggerations as they create. He said the function of the agent is to make the client realize his own problem and desire to solve it, to get solutions started and keep them moving, to insist the client call on his lawyer, accountant and trust officer to achieve the proper solution for his particular problem.

Occidental Now in 47 States

Occidental Life of California now is licensed in Connecticut. The company operates in every state except New York, and also in the District of Columbia, Alaska, Hawaii and Canada.

McKinnon to Speak in East

A three-day eastern speaking schedule is part of the January agenda of Leonard McKinnon, McKinnon & Mooney, Flint, Mich., president of the International Assn. of A & H Underwriters. He will speak in Baltimore Jan. 19, Richmond, Va., the 20th, and at the West Virginia sales congress in Charleston on the 21st.

San Antonio Managers Elect

E. C. Hutchins, Metropolitan, has been elected president of San Antonio Life Managers Club, succeeding O. P. Schnabel, Jefferson Standard. E. D. Steer, Great American Reserve, was named vice-president, and W. L. McClur, American H. & L., secretary.

Fishwick Chosen for Camden Post

James C. Fishwick has been named district supervisor at Camden, N. J., by Milton Sobel agency of Manhattan Life. Entering the business in 1933, he has held supervisory posts in the United States and in South America.

WANT ADS

Rates—$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

GENERAL AGENCY OPPORTUNITY

Large eastern mutual has established agency available in Illinois. Applicants should be under 45 with previous general agent or supervisory experience. Heavy emphasis on building career life underwriters. Financial arrangements commensurate with ability and background of the man. All replies will be treated confidentially. Write Box C-61, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CREATIVE INSURANCE COPYWRITER
for Midwestern Advertising Agency

If you are primarily an advertising man, and would like to put your insurance knowledge to work in a congenial medium-sized Chicago advertising agency, this may be your opportunity to earn an excellent salary plus liberal employee benefits —including profit-sharing. To fill this job you should be about 30 (give or take a few years) and thoroughly experienced in direct mail copy. Tell us about yourself and your ability to develop ideas that sell. Please include a recent snapshot, if possible. Salary is open, but we would appreciate knowing your approximate requirements. All replies strictly confidential. Address C-58, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Supervisory Opportunity
Albany and Poughkeepsie, N. Y. Area

A large eastern mutual company with a highly successful general agency in Albany, New York is looking for a successful life insurance man interested in supervisory work.

The man selected will be responsible for the development of five counties in the area. He will be given a salary, bonus and expenses, plus his own personal commissions. This is an excellent opportunity to learn management work with a growing agency and a progressive, sales-minded company.

In writing give complete details. Your letter will be held in strict confidence. Write Box C-46, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARY WANTED

Associate, or student who has completed four examinations, is sought for responsible position with a strong, legal reserve Southern Company with nearly fifty years of successful operation.

Excellent opportunity for advancement. Attractive salary. Liberal employee benefits and retirement plan. Reply to Box C-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

COMPANIES ATTENTION!

I can sell, recruit, train, create, inspire and will prove that I have done them well. Ten yrs. coast to coast experience. Under 35. Master motivator, public speaker, writer, agency builder, TOP salesman. Want agency-building job in H.O. on any decent basis. Address Box C-47, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Seek Closer State Control Over A&H in Arkansas

LITTLE ROCK—Recommendations for closer supervision and control by the state over A&H business were entered before the Arkansas legislative council by the committee on corporations, insurance and banking. The move was the result of a 10-month investigation of insurance in the state.

Findings indicated that much abuse of the public results from misleading advertising used by some A&H companies, and it was recommended that companies be required to file copies of intended advertisements with the commissioner, who should be empowered "to disallow any proposed advertising which he deems to be misleading or which misrepresents the true terms of the policy or the coverage being offered."

The investigation of A&H practices in Arkansas was the result of a request of Senator John W. Cloer for closer state supervision of the business. Representative Clifton Wade, Fayetteville, headed the investigating committee.

The committee suggested that the commissioner also exercise closer supervision "over the qualifications and integrity of applicants for licenses to sell health and accident insurance." A written examination on the state's insurance laws was recommended as a requirement for those seeking licenses.

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"Recent action by the Federal Trade Commission in investigating health and accident insurance practices in the United States indicates that it is imperative that the various states take immediate action to bring health and accident insurance under closer supervision," the committee reported.

It was pointed out that Arkansas in 1951 had enacted the model provisions for individual A&H policies recommended by NAIC prescribing standard policy provisions and certain optional provisions. However, the law is just going into effect now. The committee suggested that the law be given a chance to work but recommended that certain further steps be taken in regulating advertising and agents' licenses.

Other recommendations of the committee were: (1) That all policies and advertisements concerning policies subject to cancellation or renewal at the option of the insurer should plainly disclose such facts; (2) that the act which fixes the statute of limitation in policies at three years, be changed to five years to conform to existing law relative to the statute of limitation on written contracts, and (3) that, inasmuch as most policies now provide that cancellation can be made at premium paying time or at time policy is renewed, the act which authorizes the insurer to cancel at any time on five days notice to insured be changed.

'Time' Article Comments on Influence of Special Policies

An article in the current *Time* describes the influx of special policies as creating a "wave of healthy competition" and "price-cutting" in the industry, concluding this could result in giving "the average man insurance he can afford."

Noting that several large companies have started giving quantity discounts on "specials", the article states that sales of New York Life, which began advertising such policies last March, have climbed "an astonishing 40%." The article quotes Equitable Society as reporting its total sales have increased "very substantially" because of lower prices and better talking points for salesmen. It comments that 30% of all New England Mutual Life sales now are special policies.

Lower cost of administration is listed as one justification for the lower rates. As an example, it is stated that the expense of handling an application and writing a policy is the same whether the face amount is $1,000 or $10,000. An actuary is quoted as saying that size alone is not the determining factor, inasmuch as mortality rates are higher among persons who buy smaller policies.

Mentioning that special policies are not new, the article states that big companies until recently hesitated to advertise discounts on big policies because they felt small customers, or even the federal trade commission, would accuse them of discrimination. Halsey D. Josephson, Connecticut Mutual Life general agent at New York City, is quoted as saying the special policies "may very well be the beginning of the end of American life insurance as we have known it," because it breaks the tradition of equality for all.

Mutual Appoints Osgood

Donald T. Osgood has been appointed manager at Savannah for Mutual of New York. Mr. Osgood, formerly a training assistant in the home office, succeeds Harry T. Thurman, who has been transferred to Montgomery, Ala., where he will resume personal production with additional responsibilities as assistant manager. Mr. Osgood joined the company in 1948 at Atlanta and before going to the home office was assistant manager at Miami and Atlanta.

Donald T. Osgood

Start Midwest Conference Plans

Three committee chairmen for the annual Midwest Management Conference have been announced by Russell Simpson, Sun of Canada, president of Indianapolis General Agents & Managers Assn. of Indianapolis, which annually sponsors the conference at French Lick, Ind.

Grant O. Q. Johnson, Indianapolis Life, will serve as general chairman. The program committee will be headed by Hilbert Rust, president R & R Service. Publicity, promotion, and attendance will be under the direction of R. W. Osler, vice-president Rough Notes Co.

The 1955 conference will be held Oct. 20-22. It is the oldest of the association-sponsored management meetings and regularly draws national attendance.

Fire Hastens Polo Agency Move

Union Central Life's 82-year old agency at Polo, Ill., scheduled to be transferred to Rockford Jan. 1, was closed earlier after the building in which it was housed was destroyed by fire. One of the company's oldest, the agency was established by M. E. Schryver, Sr., five years after the founding of Union Central. Three generations of the Schryver family were associated with the company.

Wesley P. Herrmann, Polo manager since 1946, is now manager at Rockford.

BBB Warns Texas Investors About Life Company Stocks

The Amarillo (Tex.) Better Business Bureau has issued a bulletin on insurance stocks, stating that in the last few months it has received the greatest number of calls concerning the purchase of stock in new or relatively new Texas life companies in its history.

The first is that under Texas law the selling of insurance stocks does not come under the regulation of any state agency. Neither the state securities division nor the insurance commission have any jurisdiction.

Some of the prospectuses are greatly misleading, the bulletin states. Vital information is omitted which would be required by SEC or the state securities division if either had jurisdiction. Many are not prospectuses in the true sense of the word at all, but merely sales literature that paints too rosy a picture of the company's prospects.

Another problem created by the lack of proper regulation is manipulation by the company of the price of the stock, the BBB says. Several companies have used a plan whereby the price is automatically hiked every time a particular block of stock is sold. One company has upped the price approximately 20 times since last June under this plan.

It is generally recognized that an investment in a new concern of almost any type is speculative and should be considered as a relatively long term investment. With the price being increased every ten days, two weeks or even once a month, investor is often misled. On occasions he is encouraged to purchase the stock on a short term, can't lose basis.

Another reason for insurance stock sales becoming a problem is that salesmen with little or no investment or even insurance experience are peddling the stock. The buyer might as well ask a butcher, baker or candlestick maker for investment counsel as to ask these neophyte salesmen for advice, the bulletin declares. Misrepresentation through ignorance rather than design is the unfortunate result.

The bulletin notes that Texas Assn. of Life Underwriters is fully aware of the problem and its legislative program calls for the sale of life insurance stock to be brought under regulation of the appropriate state agency. Until such time as adequate legislation is passed, however, Texas investors will have to investigate these offerings very carefully to determine the true nature of the investment, the bulletin states.

The bulletin also notes that the courts have held that a trust company formed as a holding company of insurance stock is not subject to regulation by the securities division or even by the banking commission, which ordinarily exercises a slight degree of supervision over trust company stock sales. The need for caution in making investments of this type is therefore equally important.

Occidental, Cal., Individual Pension Policies Revised

Occidental Life of California has completely revised its individual pension policies. Now issued on a participating basis, and group underwritten on 10 or more lives, the new plans feature high first year cash values, special 10 payment policies for older employes, and policies providing a death benefit of either $1,000, $500 or the return of premium or cash value if greater, for each $10 of pension.

Either 60 or 120 month certain policies are issued, and an ordinary life policy for profit sharing or combination pension plans is available which is convertible to as much as $20 per month annuity for each $1,000 of insurance. The cost of conversion is guaranteed by the policy and is based on the 1937 standard annuity table with no age set back.

The new retirement policies are designed to pay a dividend at the end of the first year provided the second premium is paid in full; the ordinary life at the end of the second year.

Cash values for the new retirement income plans are $1,550 to provide $10 a month, on a 10-year certain life annuity for a male, age 65.

New Phila. General Agent for Security Mutual, N. Y.

William A. Conway has retired as general agent at Philadelphia for Security Mutual Life of New York. The Boardman-Hamilton & Co. agency of Philadelphia has been appointed to succeed him.

Mr. Conway, who joined the company in 1942, has been in the business for nearly 50 years.

Principals of the Boardman-Hamilton agency are J. Griffith Boardman and Wilbur H. Hamilton. Howard W. Creuziger is assistant general agent. Edwin Walker, who has been with Security Mutual at Philadelphia, becomes supervisor of the agency.

R. C. Breuer Heads Aetna General Agency at Rockford

Ray C. Breuer, assistant general agent at Chicago for Aetna Life since 1953, has been appointed general agent of a new agency at Rockford which will serve northwestern Illinois. Mr. Breuer will go to Rockford soon to open an agency, which will be in the Third National Bank building. Mr. Breuer entered the business in 1946 with Aetna at Chicago. He later became supervisor there.

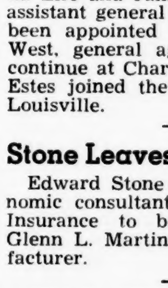
Estes Aetna General Agent in N. C., Succeeding West

Edward J. West has resigned as general agent at Charlotte, N. C., for Aetna Life and James T. Estes, formerly assistant general agent at Atlanta, has been appointed to succeed him. Mr. West, general agent since 1946, will continue at Charlotte as an agent. Mr. Estes joined the company in 1947 at Louisville.

Stone Leaves Institute

Edward Stone has resigned as economic consultant of Institute of Life Insurance to become economist of Glenn L. Martin Co., airplane manufacturer.

PETER WIGGLE, 78, a supreme trustee of the Maccabees and its former secretary-treasurer, died at his home in Detroit. A member of the Maccabees for nearly 60 years, Mr. Wiggle was named to the board in 1937 and from 1948 to 1953 served as secretary-treasurer. He was great commander of Michigan from 1943 to 1947, and before that was assistant postmaster of Detroit. Active in National Fraternal Congress affairs, Mr. Wiggle was a past president of its secretaries section.



Peter Wiggle

Mass. Mutual Promotes Miss Bryant to Associate Counsel, Raises 2 Others

Massachusetts Mutual has promoted Frances A. Bryant to associate counsel in the law department and Edward P. Bennett Jr. to associate superintendent of mortgage loans and Edwin S. Nelmes to assistant superintendent of loans in the mortgage loan department.

Frances A. Bryant

Miss Bryant was in the policy department before joining the law department in 1939. She was appointed a company attorney in 1943 and assistant counsel in 1952. Mr. Bennett, with the company since 1946, was named assistant manager of the Dallas mortgage loan and real estate office in 1948, manager in 1949 and assistant superintendent of loans in the home office in 1953. He is a member of Appraisal Institute. Mr. Nelmes went with the company in 1932. He was assistant manager of the Detroit mortgage loan and real estate office prior to 1953, when he became mortgage loan assistant in the home office. He is a fellow in Life Office Management Assn.

Bankers National Life Raises Policy Minimum

Bankers National Life has increased its minimum size policy to $2,000 for applicants 20 years of age and older, with minimum for applicants to age 20 remaining at $1,000. The increase is to meet higher costs of issuing a policy and it is hoped that the new rule will increase the average policy size.

A liberalization of the handling of family income benefits gives the insured the choice of having these benefits commuted at his death and payable under either option A or E, subject to the limitations that payment under either option must apply to the entire policy proceeds and no provision may be included where the type of option depends upon when the insured dies or how much is payable.

Life Insurance Assn. Names Committeemen

Chairmen and committee members of Life Insurance Assn. for 1955 have been appointed. These committees are in addition to the joint committees representing both the association and American Life Convention. The chairmen are Francis J. Pinque, Colonial Life, auditing; Frederic W. Ecker, Metropolitan, budget; James T. Phillips, New York Life, civil defense; B. L. Holland, Phoenix Mutual Life, coordination of activities; Charles A. Siegfried, Metropolitan, health insurance council; Donald C. Slichter, Northwestern Mutual, investment research; L. D. Cavanaugh, Federal Life Insurance of Illinois, membership; Edmund Fitzgerald, Northwestern Mutual, nominating; Devereux C. Josephs, New York Life, program.

To Address Managers in N.Y.

Herbert L. Lee, manager for Prudential at Jamaica, N. Y. will address Midtown Managers Assn. of New York City Jan. 19 on "How We Recruit."

Detroit Ordinary Leader

Among the large cities Detroit, with 34%, showed the greatest gain in November in ordinary life sales, according to LIAMA. Boston, with 9%, led for the 11 months. Percentage increases for all major cities for November and 11 months of 1954 respectively were Boston 20 and 9, Chicago 25 and 6, Cleveland 11 and 4, Detroit 34 and 5, Los Angeles 16 and 7, New York 22 and 2, Philadelphia 7 and 3, and St. Louis 23 and 7.

Grimes Manager of New Tex. Agency of Equitable

Equitable Society has appointed Ralph E. Grimes manager of a new agency at Lubbock, Tex., covering 16 cities and towns. D. D. Edmunds, field vice-president, presided at a meeting at which Mr. Grimes was installed.

Mr. Grimes joined the company at Portland, Ore., in 1937.

Equitable recently established an investment field office at Lubbock with Louis G. Raney as loan supervisor.

State Farm Head to Be on Management Panel

M. G. Fuller, Bloomington, president State Farm Life, will be a member of the "presidents' panel" at the general management conference of American Management Assn. at Los Angeles Jan. 24. This panel, composed of presidents of large and varying corporations, will discuss what the chief executive should be doing to assure his company's future.

Newark Assn. to Conduct Seminar on New Tax Law

Newark Assn. of Life Underwriters will devote its Jan. 19 meeting to a seminar on "The New Tax Law and What It Means to the Life Underwriter." Speakers will be Ray W. Druckenmiller, Provident Mutual, Allentown, Pa. Edwin H. White, Insurance R&R, and Benjamin L. Stern, Associated Estate Analysts of New York.

Ohio National Life Hikes Retention Limit to $75,000

Ohio National Life has increased its maximum retention limit from $60,000 to $75,000.

Increases at juvenile ages and at the higher issue ages, and for substandard business, are approximately proportional.

W. J. W. Merritt Resigns

William J. W. Merritt has resigned as vice-president and director of agencies of Tennessee Life of Houston.

Mr. Merritt joined the company in 1953 shortly after it was organized. Previously he had been with Wisconsin National Life as vice-president and with Continental Assurance in New York City.

S. C. Outlaws Tontines

The state insurance department has outlawed tontine and semi-tontine policies in South Carolina.

Torok Heads S. F. Actuaries

Charles N. Torok, Metropolitan, is the new president of San Francisco Actuarial Club. The vice-president is Virgil M. Griffin, San Francisco Retirement System, and the secretary is Harry C. Redin, Coates, Herfurth & England.

Old Line Life Fetes Employes

Home office employes of Old Line Life were guests of the company at a holiday party in Milwaukee. Following luncheon, the company chorus and individual employes presented entertainment, in addition to several professional acts. The occasion also marked the birthday of James H. Daggett, president.

NAIC Fraternal Code Unit Meets

A meeting of the National Assn. of Insurance Commissioners subcommittee considering the proposed model fraternal code was held at Cleveland.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

companies that are not essentially life companies at all.

The subcommittee emphasized that a point needing further study is whether each group of policyholders receives back the excess of premiums it has paid and the earnings on those payments over and above the cost of its insurance. The subcommittee said it had been unable to obtain a satisfactory answer to this problem during the hearings and said the matter should be further investigated before final action is taken by the full committee.

Purdy Heads New Group Unit of N. Y. Life

Robert E. Purdy, manager of group sales of New York Life since 1952, has been appointed group manager of a new mid-Atlantic region in the group department. He is succeeded by William L. Fehon Jr., formerly director of group sales. Other home office personnel assuming more responsibility are Loyd Wise, V. Paul Ricken and Robert Henderson. Mr. Purdy went with New York Life from Aetna Life in 1951.

House Group Scores Welfare Fund Controls

WASHINGTON—Present laws "do not adequately guard welfare and pension funds from abuses," according to an interim report of a special House labor subcommittee headed by Rep. McConnell of Pennsylvania, outgoing chairman of the full labor committee. However, the subcommittee offered no legislative proposals, saying that it had not yet obtained sufficient information to justify any recommendations at this time. The report asked the committee to request the internal revenue service to revise and expand the information which that agency now requires of trust funds having tax-exempt status" so as to obtain more accurate and complete data on number of plans, costs, benefit scales, reserves, and surpluses. It also suggested that Congress continue study of the problem. "For all practical purposes," statutory control over these plans is non-existent, the committee concluded after a year of investigation.

"State insurance laws, as now written, seem to have little, if any, effect on the welfare and pension picture," the report states, though conceding it is still too soon to evaluate what has been done in New York to correct abuses. Most of the committee's work was concentrated on welfare rather than pension plans. The report covers welfare plans almost exclusively.

New N. Y. Governor Would Up DBL Scale

ALBANY—Averell Harriman, new governor of New York, announced in his first annual message to the legislature that he would seek an increase in the disability benefits law scale, a more equitable sharing of the premium load between employers and employes, and possibly a shift of the administration of the law from the workmen's compensation board to the unemployment insurance agency. He wants DBL benefits—and unemployment insurance benefits too—raised to a $36 weekly maximum, extension of coverage to include employes of firms employing even one worker, and an increase in maximum length of coverage from 13 weeks to 26 weeks. The present maximum benefit is $33 a week.

New General Agents for Pilot Life

Eugene Jennings, former supervisor at San Antonio for Pilot Life, has been promoted to general agent succeeding Bruce E. Constant who has been advanced to general agent at Dallas. Harold F. Dill has been appointed general agent at Roanoke. Formerly with Atlantic Life at Roanoke, he has been in life insurance business since 1940. Clarence W. Crawford has been appointed general agent at Memphis, Tenn. Formerly with Aetna Life, he has been in life insurance business since 1950.

Conn. Mutual Promotes Tenney to V-P

Connecticut Mutual has promoted H. Martin Tenney, 2nd vice-president for investments since 1952, to vice-president for investments. He joined the company in 1935 and became assistant vice-president in 1940 and 2nd vice-president for mortgage loans in 1946. He is a past president of Connecticut chapter of society of residential appraisers.

Dowling, Vogler Made Franklin Life V-Ps

Franklin Life has promoted Allen V. Dowling and George A. Vogler to vice-presidents. Mr. Dowling will continue to serve as director of agency development. He joined Franklin in 1953 after three years with Ohio National Life as home office representative supervising 11 western states. Before that he was with American Life of Texas for several years as a pension specialist. Mr. Vogler entered insurance in 1945 with Massachusetts Mutual at Oklahoma City, became supervisor of the agency one year later and in 1947 went to the home office as agency assistant. He was named Des Moines general agent the following year and in 1952 went with Franklin as director of sales for the southwestern division. Since 1953 he has been director of sales at the home office and will continue in that capacity.

R. W. Staton Resigns from Agency Post

Robert W. Staton, director of agencies for Central Standard Life, has resigned. In life insurance for 20 years, he previously was with United States Life and Occidental of California. He has not announced future plans.

Equitable, Iowa, Registers Best Sales Year

Equitable Life of Iowa had its largest production year in 1954, new paid business amounting to $129,327,909. Paid business in December of $14,324,199 was the largest ever for that month. Insurance in force at the end of 1954 was $1,362,953,372 compared with $1,300,834,807 the previous year.

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BENEFITS

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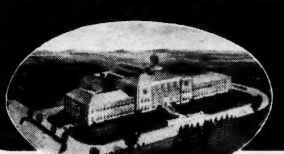

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